

Message Text

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ORIGIN L-02

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DRAFTED BY L/ARA:DAGANTZ

APPROVED BY ARA:HSCLAUDEMAN

ARA:WDROGERS (SUB)

ARA/EP:SPRINGLE (SUB)

L:MBFELDMAN

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P 162142Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA PRIORITY

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E.O. 11652: N/A

TAGS: EDIS, EIND, EFIN, PE

SUBJECT: CERRO DISAGREEMENT WITH MINEROPERU

REF: A. LIMA 10420 B. LIMA 10535

1. DEPT LAWYER HAS ADVISED CERRO NEW YORK (HUGH MURPHY, RALPH DREYFUS) THAT EMBASSY HAD MET AS REQUESTED WITH ALBERTO RUBINA OF MINPECO, COMMUNICATING SUBSTANCE PARA 1(B)-(E) REF A. MURPHY RESPONDED BY INDICATING THAT HE, TOO, HOPED THAT THERE COULD BE FURTHER DISCUSSIONS BETWEEN CERRO AND MINEROPERU AND SAID HE THOUGHT THAT IT SHOULD BE POSSIBLE TO WORK OUT A MUTUALLY ACCEPTABLE SOLUTION. WE ALSO MENTIONED CONCERN THAT GOP MIGHT TAKE ACTION AGAINST CERRO AND MORE PARTICULARLY THAT DISTRIBUTION OF PROCEEDS FROM GREENE MISSION MIGHT TRIGGER SUCH ACTION. MURPHY SAID HE THOUGHT THIS WAS UNLIKELY, GIVEN THE FACT THAT BOTH CERRO AND, IN HIS VIEW, THE GOP, VIEW THE MATTER AS ONE OF A DISAGREEMENT OVER "PRIMARILY COMMERCIAL INTERESTS" WHICH SHOULD BE SUBJECT TO SETTLEMENT. HE INDICATED CLEARLY THAT HE HOPED THIS MATTER WOULD NOT RESULT IN DELAY OF PAYMENT, AND VOICED THE OPINION THAT IT MIGHT NOT BE SETTLED UNTIL

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WELL AFTER FEBRUARY 19, 1975 IN ANY EVENT. HE ADMITTED

THAT THE CERRO SALES OBLIGATIONS PREDATED THE GREENE AGREEMENT, BUT SUGGESTED THAT THE GOP WAS IN VIOLATION OF ITS OBLIGATIONS UNDER VARIOUS CONTRACTS, INCLUDING ONE SIGNED WITH MINEROPERU AT THE TIME THE GREENE AGREEMENT WAS CONCLUDED.

2. DURING CONVERSATION WHICH OCCURRED PRIOR TO RECEIPT OF REF B, CERRO OFFICIALS MADE NO MENTION WHATSOEVER OF DESIRE TO SELL OUT PERUVIAN INTERESTS.

3. DEPT AGREES WITH EMBASSY THAT THIS MATTER IS POTENTIAL PROBLEM GIVEN RISKS OF ITS ULTIMATELY RESULTING IN TAKING OF CERRO INTERESTS IN PERU IN ORDER TO SATISFY CERRO SALES' DEBT TO MINEROPERU. HOWEVER, WE ARE NOT INCLINED TO HOLD UP PAYMENT TO CERRO ON THIS BASIS.

4. DEPT UNABLE TO LOCATE COPY OF CERRO-GOP AGREEMENT REFERRED TO PARA 2 REF B; PLEASE POUCH COPY ATTENTION L/ARA. KISSINGER

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Message Attributes

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